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ANNUAL REPORT/1974

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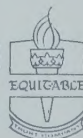


FIDELITY
MORTGAGE

CANADIAN-OWNED COMPANIES

EQUITABLE

TRUST





FIDELITY
MORTGAGE
& SAVINGS
CORPORATION

THE
EQUITABLE
TRUST COMPANY

ANNUAL REPORT · 1974

HEAD OFFICE

Sixteenth Floor,
Fidelity-Equitable Trust Tower,
One James Street South, Hamilton, Canada

EXECUTIVE OFFICES

Second Floor,
Fidelity-Equitable Trust Tower
One James Street South, Hamilton, Canada

BRANCHES

HAMILTON:

Fidelity-Equitable Trust Tower,					
2 King Street East -	-	-	-	-	H. B. Fullerton, Manager
Undermount Bldg., 143 James Street South	-				J. H. A. Myles, Manager

BURLINGTON:

502 Brant Street at Caroline	-	-	-		R. J. Rumble, Manager
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BRANTFORD:

28 Market Street at Dalhousie	-	-	-		D. J. Usselman, Manager
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GUELPH:

54 St. George's Square	-	-	-	-	O. Risebrough, Manager
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TORONTO:

360 Bay Street	-	-	-	-	D. Jacobs, Loan Officer
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OFFICERS AND DIRECTORS

OFFICERS**

President	-	-	-	-	-	-	SAM FOSTER ROSS, Q.C.
Vice-President	-	-	-	-	-	-	WILLIAM VANALEN HOLTON
Assistant General Manager and Treasurer	-	-	-	-	-	-	WILLIAM ALAN MUIR, C.A.
Secretary	-	-	-	-	-	-	HUGH STRATHEARN HENDRIE
Mortgage Superintendent	-	-	-	-	-	-	FRED SMYTH PAUL
Superintendent, Savings and Branches	-	-	-	-	-	-	JAMES NEIL WALTON
Comptroller	-	-	-	-	-	-	ALAN JAMES SEAGO, C.A.
Trust Officer	-	-	-	-	-	-	WILLIAM BRUCE CAUNCE
Assistant Secretary	-	-	-	-	-	-	JAMES GRIBBEN MILLIGAN

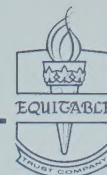
DIRECTORS**

*FRANK WILTON BAILLIE	-	-	-	-	-	-	Oakville
President / Lawrence Motors (Davenport) Limited							
W. ALLAN CAMPBELL, Q.C.	-	-	-	-	-	-	Oakville
Partner / Hamilton, Torrance, Stinson, Campbell, Nobbs and Woods							
† J. IAN CROOKSTON	-	-	-	-	-	-	Toronto
Chairman of Board / Nesbitt, Thomson and Company							
† DONALD EDWARD DUNN	-	-	-	-	-	-	Montreal
Vice-President — Finance / Henry Birks & Sons Ltd.							
HUGH STRATHEARN HENDRIE	-	-	-	-	-	-	Burlington
Vice-President / Wenagara Corporation Limited							
†*WILLIAM VANALEN HOLTON	-	-	-	-	-	-	Burlington
President / Glendale Spinning Mills Limited							
JAMES ROBERT ALEXANDER LANGS	-	-	-	-	-	-	Hamilton
President / Long Credon Holdings Limited							
STEWART PHILP	-	-	-	-	-	-	Hamilton
President / Philpco Investments Limited							
*MURRAY PROCTOR	-	-	-	-	-	-	Waterdown
President / Murray Proctor Industries Limited							
†*SAM FOSTER ROSS, Q.C.	-	-	-	-	-	-	Dundas
Partner / Ross & McBride							
HENRY GEORGE THODE, C.C., Ph.D., F.R.S.	-	-	-	-	-	-	Lynden
Professor of Chemistry / McMaster University							
*ROBERT THOMSON	-	-	-	-	-	-	Montreal
Financial Consultant							

*Member of Executive Committee

†Member of Audit Committee

**The officers and directors of Fidelity Mortgage and Savings Corporation and The Equitable Trust Company are the same persons.



FINANCIAL HIGHLIGHTS

for the year ended December 31, 1974

	1974	1973
Assets Owned	\$79,186,141	\$66,786,796
Estates, Trusts and Agencies under Administration	16,182,894	12,857,287
Total Assets	95,369,035	79,644,083
Cash and Securities	9,819,576	6,892,617
Mortgages	65,077,521	56,003,415
Deposits, Debentures and Guaranteed Investment Certificates	73,019,457	61,207,824
Operating Income for year	438,150	533,762
Operating Income for year—per share	\$.71	\$1.05
Provision for Income Taxes—total	226,055	275,200
Provision for Income Taxes—per share	\$.37	\$.54
Net Income for year	211,665	257,912
Net Income for year—per share	\$.34	\$.51
Dividends	136,125	91,125
Dividends per share	\$.22	\$.18
Shareholders' Equity	3,842,565	3,417,441

FIDELITY MORTGAGE AND EQUITABLE TRUST WERE FEDERALLY INCORPORATED BY SPECIAL ACT OF THE PARLIAMENT OF CANADA AND BY LETTERS PATENT RESPECTIVELY, AND EACH IS LICENSED BY THE MINISTER OF FINANCE AND IS UNDER FEDERAL SUPERVISION.

BOTH FIDELITY MORTGAGE AND EQUITABLE TRUST ARE MEMBERS OF THE CANADA DEPOSIT INSURANCE CORPORATION.



It is with pleasure that we submit for your information and consideration our Annual Report for 1974, including the consolidated audited financial statements of Fidelity Mortgage and its Subsidiaries Equitable Trust and Fidelity Real Estate Holdings.

Results of Operations and Net Income

The year 1974 was a very difficult year for the trust and mortgage industry. Uncontrollable increases in interest rates throughout most of the year, coupled with other inflationary operating costs without compensating increases in revenues from our existing mortgage portfolio and other fixed income investments, adversely affected our operating income.

After deducting all normal expenses and costs (including depreciation and amortization) our consolidated operating income for 1974 amounted to \$438,150 which compares with \$533,762 for 1973, a decrease of approximately 18% for the year. From such operating income there has been deducted by way of provision for income taxes our actual income tax liabilities for the year amounting to \$162,855 and a provision for future income taxes of \$63,200 as well as a small deduction for minority interest in The Equitable Trust Company, resulting in a net income for the year of \$211,655, which compares with \$257,912 for 1973, a decrease of 18% for the year.

Asset Growth

Our assets as at 31st December 1974 (not including estates, trusts and agencies) amounted to approximately \$79.2 million, which represents a 15.6% increase for the year. Total assets, including estates, trusts and agencies, showed a 20% increase to approximately \$95.4 million (31st December 1973 — \$79.6 million).

Rights Issue

In December of 1974 we offered to our shareholders rights to subscribe for an additional 88,393 shares from treasury at the price of \$6 per share on the basis of one additional share for each seven shares held. I am pleased to report that the offering was completely successful and that the full amount of treasury shares was subscribed for and paid. This has provided an additional \$530,358 to our capital, which will, of course, produce benefits to our company because of the additional borrowing capacity. The directors were very encouraged by this demonstration of faith in our company by its shareholders and others.

Analyses of Investments and Debenture and Guaranteed Investment Certificate Maturities

As in previous years and in accordance with our established policy, our Annual Report again contains analyses of our investments and debenture and guaranteed investment certificate maturities prepared and reported upon by our auditors. These audited analyses are set forth in detail on pages 14 to 17 of this report.



Deposits, Debentures and Guaranteed Investment Certificates

Demand and short term deposits by the public increased during the year by approximately 12.5% to \$20.7 million and the amount of our outstanding debentures and guaranteed investment certificates increased by approximately 22.7% to \$52.3 million. Taken together, the increase in our borrowings by way of deposits, debentures and G.I.C.'s during the year was approximately 19.7% to \$73 million.

Mortgage Portfolio

Our mortgage portfolio showed a net increase for the year of approximately 16% and continues in excellent condition. In 1974, mortgage interest rates rose almost continuously until December, at which time there was a levelling which continued into 1975. Within the past two weeks, there has been a decrease in mortgage rates which it is felt will probably continue for at least another three to four months. Thereafter, it is anyone's guess as to which way rates will go. The overall yield of our mortgage portfolio increased by .32% over 1974 and by year end stood at 9.81%.

A five year comparative percentage breakdown of our mortgage portfolio with respect to class of security and aggregate loan amounts, number of loans, average size of loan and portfolio yield is as follows:

Class of Security	1970	1971	1972	1973	1974
Single family dwelling ..	65.7%	63.2%	60.9%	62.4%	61.4%
Multiple dwellings	25.6%	28.3%	31.2%	27.8%	29.1%
Commercial and Industrial	8.7%	8.5%	7.9%	9.8%	9.5%
	100%	100%	100%	100%	100%
Number of loans	1,337	1,548	1,776	2,119	2,190
Average size of loan	\$18,641	\$20,557	\$23,131	\$26,257	\$29,503
Portfolio Yield	9.89%	9.84%	9.72%	9.49%	9.81%

Results of The Equitable Trust Company for 1974

We are pleased to report that the operations of The Equitable Trust Company for 1974 again provided an increased operating income before taxes (\$153,198 for 1974 compared to \$89,940 for 1973) and an increased net income after taxes and all other charges (\$72,858 for 1974 compared to \$43,940 for 1973). These results are included in our consolidated financial statements.

During the year The Equitable's trust operations continued to expand, and increases in will appointments, estate and trust administration and agency operations were achieved resulting in a total volume of estates, trusts and agencies under administration at year end of \$16.2 million compared with \$12.9 million for 1974. This increase resulted from the joint efforts of both Head Office and Branch Managers. This portion of The Equitable's business should continue to



grow satisfactorily and become a continuing and increasing source of profit. In particular we are benefiting from the increasing interest of the public in Registered Retirement Savings Plans and results thus far in 1974 are very satisfactory. The legislation in respect of Registered Home Ownership Savings Plans has been delayed but we expect that it will be enacted shortly. There has been considerable interest in this type of savings, particularly by younger people. We expect to administer a large number of these plans over the years.

Fidelity Mortgage-Equitable Trust Tower

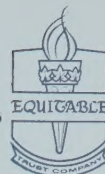
Construction of this fifteen story office tower was substantially completed in June 1974 and our main Hamilton branch entered into occupancy on the main floor on the 21st of June. Our administrative offices moved into the second floor in the month of November and our executive offices on the sixteenth floor were ready for occupancy in the month of December. Other tenants moved in during the final six months of the year and in January of this year. At the present time tenancies and lease arrangements have been made with tenants aggregating approximately 50% of the total rentable space in the Tower. We are pleased with the high calibre of our tenants and are hopeful that the building will be substantially leased by the end of 1975. This forecast is subject, of course, to the possibilities of a weakening economy which would adversely affect our leasing plans. Fidelity Mortgage-Equitable Trust Tower is a first-class office building in all respects and will be a very satisfactory investment over the years. The return of the Birks Clock, which was completely refurbished and placed at the northwest corner of our building, is an important Hamilton milestone. From a public and civic point of view, we have received many favourable comments concerning the Tower and its beneficial affect on the downtown core of Hamilton.

Fidelity Real Estate Holdings Limited

During 1974 we continued developing the planning program for our real estate company and at year end, arrangements were completed for its acquisition of all our real estate investments. During 1975 we hope to extend, on a conservative basis, the company's investments in the real estate field.

Increase in Directors and Borrowing Powers

You will note from the information circular sent to all shareholders, that we are presenting for approval at our Annual General Meeting today, by-laws increasing our borrowing powers to 25 times our net worth and increasing our Board of Directors to fifteen. New legislation is being passed by Parliament which will enable trust and loan companies to increase their borrowing ratios subject to meeting certain liquidity and other tests and we expect that our company will be able to take advantage of and benefit from this legislation. By increasing our Board of Directors from twelve to fifteen, three vacancies will be created. You have read in the information circular that three persons have been selected for nomination to fill such vacancies namely, William Alan Muir, C.A., who is our Assistant General Manager and Treasurer, Henry James Michael



Watson, and Andrews Foster Ross. Mr. Muir is, of course, well known to our shareholders. Mr. Watson has been a shareholder of our company from its inception and has always shown a great interest in our progress. Mr. Watson, whose roots are deep in the Hamilton area, is a highly regarded business executive and citizen of Hamilton. Mr. Ross has been associated with Fidelity Management Limited in various capacities in its mortgage banking and property management operations for approximately 8 years. His experience should contribute to the deliberations of the Board.

Outlook for 1975

Interest rates at present are dropping which is good news to our industry and beneficial to the economy. We can only hope that this trend will continue. We are concerned, however, that other factors could once more adversely affect this trend, namely, continuing inflation and the fear of depreciating monetary values. These factors are ones over which we have no control. In this situation, our main problem is to maintain reasonable interest spreads and operating margins. The recent decline in interest rates has helped considerably. In balance, we are mildly optimistic for 1975. Subject to interest rates remaining at present levels or declining further, we could reasonably expect that our net income for 1975 should improve over 1974.

Dividends

During 1974 the rate of the annual dividend per share was increased from 18c to 22c. In the present economic climate we feel it would be unwise to consider a further increase in our dividends for 1975. We expect, however, that the 1974 dividend rate will be continued for the balance of the year.

In conclusion, I again publicly acknowledge the tireless, faithful and capable assistance and effort so cheerfully contributed by all employees of the Company during the past year.

Yours faithfully,

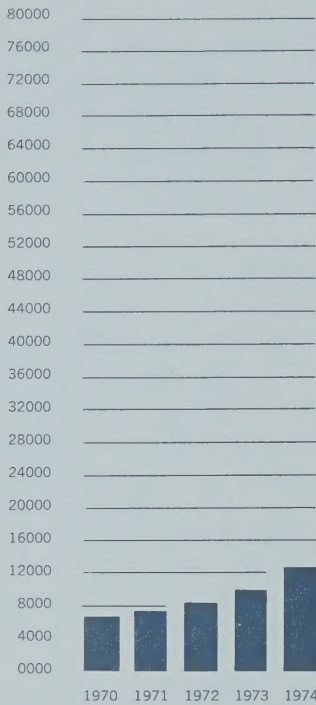
SAM FOSTER ROSS,
President.

On Behalf of the Board,
13th February 1975,
Hamilton, Canada.

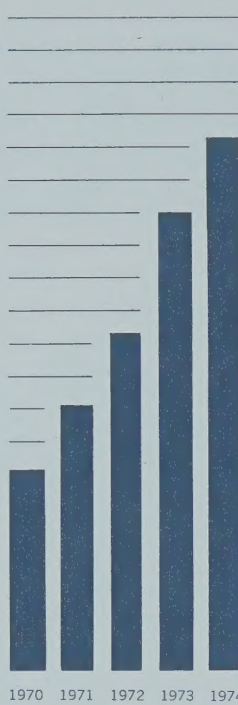


FIVE YEAR SUMMARY

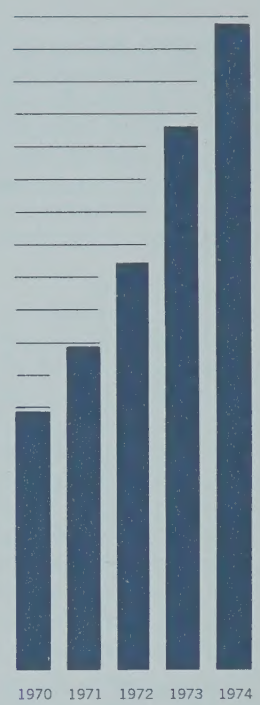
THOUSANDS OF DOLLARS



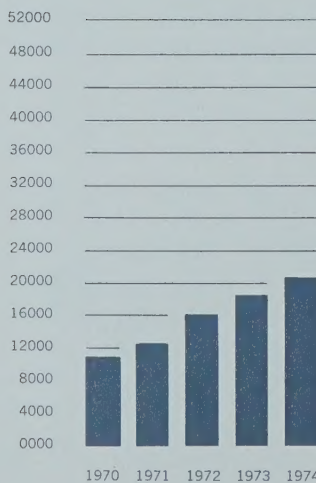
CASH, BONDS
& SECURED
DEMAND LOANS



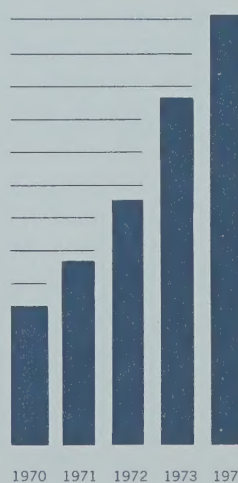
MORTGAGES



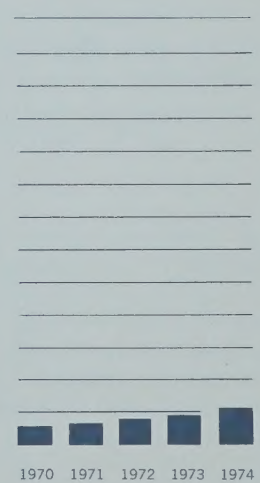
TOTAL ASSETS
OWNED



DEMAND DEPOSITS
AND DEPOSIT RECEIPTS



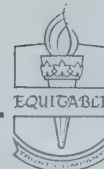
DEBENTURES AND
GUARANTEED INVESTMENT
CERTIFICATES



CAPITAL,
RESERVES &
SURPLUS

CONSOLIDATED STATEMENT OF INCOME

for the year ended December 31, 1974



	1974	1973
INCOME:		
Investments—Mortgages and other loans	\$ 6,178,505	\$ 4,733,639
—Securities	594,220	254,355
Fees and commissions	67,105	52,298
Other	101,080	78,991
	<u>6,940,910</u>	<u>5,119,283</u>
EXPENSE:		
Interest on deposits	5,357,324	3,541,794
Salaries and staff benefits	577,938	488,958
Depreciation and amortization	19,446	21,241
Other	548,052	533,528
	<u>6,502,760</u>	<u>4,585,521</u>
OPERATING INCOME BEFORE INCOME TAXES	<u>438,150</u>	<u>533,762</u>
PROVISION FOR INCOME TAXES:		
Current	162,855	181,200
Future	63,200	94,000
	<u>226,055</u>	<u>275,200</u>
NET OPERATING INCOME—before minority interest	<u>212,095</u>	<u>258,562</u>
Minority interest in net income of subsidiary	430	650
NET INCOME FOR THE YEAR (Note 3)	<u>\$ 211,665</u>	<u>\$ 257,912</u>



CONSOLIDATED BALANCE

ASSETS

	1974	1973
Cash and demand deposits	\$ 4,798,702	\$ 2,626,189
Securities—at cost		
Bonds (market: 1974—\$1,868,822 1973—\$1,486,266)	2,039,628	1,603,477
Short-term notes	2,751,246	2,662,951
Stocks (market—\$230,500)	230,000	—
	5,020,874	4,266,428
Loans		
Demand loans	2,474,148	3,002,194
Mortgages	65,077,521	56,003,415
	67,551,669	59,005,609
Investments in real estate — at cost	827,787	583,617
Other assets — at cost	893,386	186,132
Fixed assets—at cost, less accumulated depreciation and amortization	93,723	118,821
	<u>\$79,186,141</u>	<u>\$66,786,796</u>

We hereby certify that we have examined the consolidated statement of affairs of the Companies and that to the best of our knowledge and belief such consolidated statement is correct and shows truly and clearly the financial condition of the Companies' affairs.

S. F. ROSS
W. V. HOLTON
H. S. HENDRIE

President
Vice-President
Secretary } Directors



LIABILITIES

	1974	1973
Deposits		
Demand	\$13,918,052	\$14,131,624
Deposit receipts	6,775,420	4,265,001
Debentures and Guaranteed Investment Certificates	52,325,985	42,811,199
	<u>73,019,457</u>	<u>61,207,824</u>
Other liabilities		
Unadvanced portions of mortgages	1,287,114	1,428,535
Income taxes payable	54,875	37,499
Other	535,972	303,087
	<u>1,877,961</u>	<u>1,769,121</u>
Minority interest in net assets of consolidated subsidiary	7,027	16,479
Provision for future income taxes	<u>439,131</u>	<u>375,931</u>

SHAREHOLDERS' EQUITY

Capital stock (Note 2)		
Authorized—1,250,000 shares of \$4 each		
—Issued and fully paid—677,014 shares		
(1973—618,750)	2,708,056	2,475,000
General reserve	1,000,000	800,000
Retained earnings	134,509	142,441
	<u>3,842,565</u>	<u>3,417,441</u>
	<u>\$79,186,141</u>	<u>\$66,786,796</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Fidelity Mortgage and Savings Corporation and its Subsidiaries as at December 31, 1974 and the consolidated statements of income, general reserve and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the consolidated financial position of the companies as at December 31, 1974 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hamilton, January 15, 1975.

COOPERS & LYBRAND,
Chartered Accountants



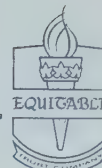
CONSOLIDATED STATEMENT OF GENERAL RESERVE AND RETAINED EARNINGS

for the year ended December 31, 1974

	1974	1973
GENERAL RESERVE:		
Balance—Beginning of year	\$ 800,000	\$ 600,000
Appropriation from retained earnings	83,472	155,000
Premium received on issue of shares of the corporation (Note 2)	116,528	45,000
Balance—End of year	<u>\$ 1,000,000</u>	<u>\$ 800,000</u>
 RETAINED EARNINGS:		
Balance—Beginning of year	\$ 142,441	\$ 130,654
Net income for the year	211,665	257,912
	<u>354,106</u>	<u>388,566</u>
Deduct: Dividends	136,125	91,125
Appropriation to general reserve	83,472	155,000
	<u>219,597</u>	<u>246,125</u>
Balance—End of year	<u>\$ 134,509</u>	<u>\$ 142,441</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 1974



1. PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the company and its subsidiaries, The Equitable Trust Company which is 99.4% owned and Fidelity Real Estate Holdings Limited which is wholly-owned.

Shares in, and advances to two other non-operating associated companies are carried at cost. These companies, when active, will be accounted for on the equity basis.

2. CAPITAL STOCK

On November 20, 1974, the Board of Directors approved the issue of warrants to shareholders of record December 6, 1974 entitling them to purchase one share out of treasury for each seven shares held, at a price of six dollars (\$6) per share. These warrants expire January 17, 1975. The maximum number of treasury shares set aside for this purpose is 88,393 of which 58,264 have been subscribed for and issued as of December 31, 1974. Cash received for the shares issued has been allocated to capital stock and general reserve in the amounts of four dollars (\$4) per share (\$233,056) and two dollars (\$2) per share (\$116,528) respectively.

Up to January 27, 1975 shareholders who have purchased the maximum number of shares available to them under the above formula have the right to subscribe for any shares (not exceeding 88,393 in total) not taken up.

3. EARNINGS PER SHARE	1974	1973
Net earnings per common share	\$.34	\$.51

The earnings per share figures are calculated using the weighted daily average number of shares outstanding. (1974—618,910; 1973—506,558)

4. GUARANTEED TRUST ACCOUNT

Included in total assets are assets held for the guaranteed trust account of \$11,163,874 (1973—\$7,516,271) securing the guaranteed trust liabilities of \$11,163,874. (1973—\$7,516,271).

5. REMUNERATION

The aggregate direct remuneration paid or payable to the directors and officers during the year amounted to \$170,421 (1973—\$140,634).

6. LONG-TERM LEASE COMMITMENTS

Minimum annual commitments under leases of a duration of more than five years total \$121,800.

7. COMPARATIVE FIGURES

Certain of the 1973 figures have been reclassified to conform with the 1974 financial statement presentation.



CONSOLIDATED ANALYSIS OF INVESTMENTS

as at December 31, 1974

CASH AND DEMAND DEPOSITS

Cash on hand and in the bank	\$ 2,723,230
Demand deposits with chartered banks	2,075,472
	<u>\$ 4,798,702</u>

SECURITIES

BONDS

	Mature in	Par	Cost (including amortized discount)	Market
Government of Canada	1975	\$ 120,000	\$ 119,817	\$ 118,560
	1977	775,000	778,651	802,425
	1979	250,000	246,824	242,500
	Beyond 1984	75,000	74,000	57,750
		<u>1,220,000</u>	<u>1,219,292</u>	<u>1,221,235</u>
Canadian Provinces	Beyond 1984	325,000	323,783	244,375
Canadian Municipalities	1975	6,000	5,828	5,753
	1976	31,000	30,852	30,753
	1979	5,000	4,883	4,307
	Beyond 1984	10,000	9,013	7,900
		<u>52,000</u>	<u>50,576</u>	<u>48,713</u>
Canadian Corporations	Beyond 1984	400,000	399,233	307,755
		<u>1,997,000</u>	<u>1,992,884</u>	<u>1,822,078</u>
Accrued interest		46,744	46,744	46,744
		<u>\$2,043,744</u>	<u>\$2,039,628</u>	<u>\$1,868,822</u>

SHORT-TERM NOTES

Short-term notes of Canadian Corporations and Financial Institutions

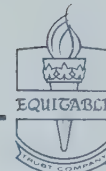
— Due January 3, 1975	\$ 500,000
— Due February 4, 1975	487,245
— Due February 6, 1975	246,000
— Due February 20, 1975	489,200
— Due February 21, 1975	483,291
— Due June 19, 1975	500,000
	<u>2,705,736</u>
Accrued interest	45,510
	<u>\$2,751,246</u>

STOCKS

— Preferred	\$ 230,000
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CONSOLIDATED ANALYSIS OF INVESTMENTS (continued)

as at December 31, 1974

**LOANS****DEMAND LOANS**

With Customers:*

Secured by 100% or more of Fidelity Mortgage and Savings debentures, deposits and other marketable securities (146 loans)	1,502,800
Secured by other security and assets (95 loans)	942,840

	2,445,640
Accrued interest	28,508
	<u>\$ 2,474,148</u>

* As at December 31, 1974, there were no loans in default and all interest payments have been made as agreed upon.

MORTGAGES**PRINCIPAL BALANCE AND YIELD**

2,190 loans with an average yield of 9.81% (December 31, 1973 — 9.49%)	\$64,610,958
Accrued interest	466,563
	<u>\$65,077,521</u>

MATURITIES

	Amount	Percentage
1975	\$ 6,989,444	10.8
1976	9,116,145	14.1
1977	10,750,018	16.6
1978	19,302,772	29.9
1979	15,676,382	24.3
1980-1984	2,278,792	3.5
Beyond 1984	497,405	.8
	<u>\$64,610,958</u>	<u>100.0%</u>



CONSOLIDATED ANALYSIS OF INVESTMENTS (continued)

as at December 31, 1974

CLASS OF SECURITY

	Number of loans	Amount	Percentage
Single Family Dwellings			
Under \$10,000	221	\$ 1,648,325	2.6
Between \$10,000 - \$20,000	877	13,254,553	20.5
Between \$20,000 - \$40,000	786	21,566,025	33.4
Over \$40,000	70	3,195,328	4.9
	<u>1,954</u>	<u>39,664,231</u>	<u>61.4</u>
Multiple Dwellings			
Under \$50,000	42	1,349,817	2.1
Between \$50,000 - \$100,000	43	3,104,529	4.8
Between \$100,000 - \$200,000	31	5,502,721	8.5
Over \$200,000	24	8,867,264	13.7
	<u>140</u>	<u>18,824,331</u>	<u>29.1</u>
Commercial and Industrial			
Under \$50,000	51	1,419,529	2.2
Between \$50,000 - \$100,000	29	1,960,542	3.0
Between \$100,000 - \$200,000	13	1,823,848	2.8
Over \$200,000	3	918,477	1.5
	<u>96</u>	<u>6,122,396</u>	<u>9.5</u>
	<u>2,190</u>	<u>\$64,610,958</u>	<u>100.0</u>

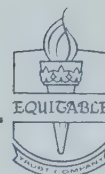
Average loan amount — \$29,503

GEOGRAPHICAL LOCATION

	Number of loans	Amount
Hamilton and area	812	\$20,284,190
Brantford and area	368	8,564,468
Burlington and area	265	7,429,841
Guelph and area	229	8,101,453
Niagara Peninsula and area	142	5,097,630
Brampton - Oakville and area	135	5,979,457
Toronto and area	160	6,436,166
Georgian Bay and area	19	592,516
Simcoe and area	29	824,248
Caledonia and area	31	1,300,989
	<u>2,190</u>	<u>\$64,610,958</u>

CONSOLIDATED ANALYSIS OF INVESTMENTS (continued)

as at December 31, 1974



UNADVANCED PORTIONS OF LOANS

The aggregate sum of \$1,287,114 remains to be advanced in respect of 13 loans.

OUTSTANDING LOAN COMMITMENTS

A total of six loans having an aggregate principal amount of \$131,189 have been committed by the Companies on which no funds have been advanced.

ADMINISTRATION

Method of Payment:

Substantially all loans are repayable by combined monthly payments of principal, interest and taxes. The principal payments are based on fifteen to thirty year amortization plans, except for one loan which is amortized over thirty-five years.

Taxes:

As at January 20, 1975, all taxes due up to and including December 31, 1974 have been paid on all properties secured by the loans.

Delinquencies:

There are four mortgages under power of sale action.

As at January 20, 1975, all mortgage payments due up to and including December 31, 1974 have been received except for payments aggregating \$5,702 in respect of nine mortgages, including the mortgages under power of sale action.

ANALYSIS OF DEBENTURE AND GUARANTEED INVESTMENT CERTIFICATE MATURITIES

	Amount	Percentage
1975	\$ 8,239,847	16.5
1976	9,296,217	18.7
1977	9,866,322	19.8
1978	12,664,087	25.4
1979	9,778,119	19.6
Beyond 1979	11,531	—
	<u>49,856,123</u>	<u>100.0</u>
Accrued interest	2,469,862	
	<u>\$52,325,985</u>	

AUDITORS' REPORT

In our opinion, the foregoing analyses of investments and debenture and guaranteed investment certificate maturities are properly drawn up so as to present fairly the state of the Companies' investments and debenture and guaranteed investment certificate maturities as at December 31, 1974.

Hamilton, January 20, 1975.

COOPERS & LYBRAND,
Chartered Accountants



SAVINGS ACCOUNTS

Interest is paid on savings accounts calculated on your minimum monthly balance and credited to your account each April 30th and October 31st. The Interest rate currently being paid may be ascertained by enquiry at any of the company's offices.

CHEQUING ACCOUNTS

Interest is paid on all chequing accounts having a minimum half-yearly balance of \$500. No service charges are applied on accounts maintaining such balances. Monthly statements along with cancelled cheques are available to customers requiring them.

CURRENT ACCOUNTS

Interest is paid on current accounts on the minimum half-yearly balance. Statements and cancelled cheques are available on the first business day of each month. Where adequate balances are maintained there is no charge for the issuance of cheques.

DEBENTURES AND GUARANTEED INVESTMENT CERTIFICATES

Interest paid at competitive rates (presently up to 8¾%) on terms from 1 to 5 years. Minimum amount \$100. Interest is paid half-yearly or may be compounded and paid at maturity. Debentures and G.I.C.'s may be cashed at par in the event of the death of the holder, at the option of his or her personal representative.

CONSUMER LOANS

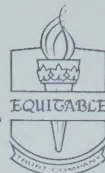
Consumer loans are now available for customers of Fidelity and The Equitable who wish to purchase automobiles, furniture, etc. on the instalment purchase plan. Interest rates on these loans are competitive with other financial institutions offering this facility.

TRUSTEE INVESTMENTS

Deposit Receipts, Debentures and G.I.C.'s are authorized Trustee investments. Trustees may open trust savings or trust chequing accounts with the Company for surplus funds.

SAFETY DEPOSIT BOXES

These are available to our customers at reasonable rates and may be used for the safekeeping of securities, valuable documents or personal articles.



FIRST MORTGAGE LOANS

First mortgage loans are readily available at current rates to assist in the purchase of your new home or for building, remodelling, refinancing or consolidation of outstanding debts.

REAL ESTATE APPRAISALS

Our qualified appraisal staff is available to appraise your property for all purposes.

REAL ESTATE SALES AND PURCHASES

The qualified staff of Fidelity Realty Limited is available to advise and assist in sales or purchases of residential properties and with respect to acquisitions and sales of commercial and realty investment properties.

PROPERTY MANAGEMENT

Our management staff is available to manage your revenue producing properties.

INVESTMENT MANAGEMENT ACCOUNTS

This is a service designed to assist in the care and management of your investments. With this service you will receive on a continuing basis the expert advice of our Investment Committee and this advice will be tailored to your needs and personal objectives.

INVESTMENT CUSTODIANSHIP ACCOUNTS

This service is designed for those who wish to actively supervise their own investment portfolios but who also wish to relieve themselves of the record keeping and other routines entailed in an investment portfolio.

TRUST SERVICES

- Estate planning
- Executor and Trustee under wills
- Administrator where there is no will
- Inter vivos trusts
- Registered Retirement Savings Plans
- Pension Funds administration
- Religious, Educational and Charitable Funds administration

SUNDRY SERVICES

Fidelity and The Equitable offer the many other financial and trust services available elsewhere including save-by mail facilities, travellers cheques, foreign remittances, money orders, etc.

